

Message Text

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14-11

ACTION L-02

INFO OCT-01 EA-06 ISO-00 AGR-05 CIAE-00 COME-00 EB-07

INR-07 LAB-04 NSAE-00 SP-02 STR-04 TRSE-00 CIEP-01

FRB-03 OMB-01 ABF-01 AID-05 H-02 IGA-01 /052 W

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R 200519Z JUN 75

FM AMEMBASSY SEOUL

TO SECSTATE WASHDC 786

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E.O. 11652: N/A

TAGS: AGAO, ECON, KS

SUBJECT: GAO "CASE ACT" STUDY

REF: SEOUL 4409

1. AS NOTED REFTEL, GAO TEAM STUDYING CASE ACT COMPLIANCE SHOWED INTEREST IN USG-ROKG BILATERAL TEXTILE AGREEMENTS. EMBOFF EXPLAINED THAT PURSUANT ITS COMMITMENTS UNDER NEW MULTILATERAL AGREEMENT ON TEXTILE TRADE (MFA), USG HAS UNDERTAKEN NEGOTIATIONS WITH ROKG ON NEW MULTIFIBER BILATERAL TEXTILE AGREEMENT TO SUPERCEDE EXISTING AGREEMENTS ON COTTON AND MAN-MADE FIBER AND WOOLEN TEXTILES; THAT FINAL DETAILS OF NEW AGREEMENT APPARENTLY CLEARED UP; AND THAT THERE WILL PROBABLY BE FORMAL EXCHANGE OF NOTES SHORTLY.

2. IN RESPONSE GAO QUERIES, EMBASSY OUTLINED CHRONOLOGY OF RECENT NEGOTIATIONS, INCLUDING INFORMAL VISITS OF MINISTER ANTHONY JURICH OF CIEP AND MR. MICHAEL SMITH OF STATE WHEN THEY WERE IN REGION, FORMAL NEGOTIATIONS IN SEPTEMBER AND NOVEMBER 1974, INITIALING OF MEMORANDUM OF UNDERSTANDING (MOU), AND DISCOVERY OF TECHNICAL ERRORS IN MOU REQUIRING SOME ADDITIONAL DISCUSSIONS BEFORE ALL DETAILS COULD BE RESOLVED.

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(EMBASSY DID NOT PROVIDE ANY DETAILS ON NATURE OF

TECHNICAL ERRORS.) EMBASSY EXPLAINED THAT NEGOTIATIONS CONDUCTED FOR USG BY REPRESENTATIVES OF WASHINGTON AGENCIES, HEADED BY MINISTER JURICH, AND THAT EMBASSY'S ROLE WAS LARGELY THAT OF PROVIDING ADMINISTRATIVE SUPPORT AND GENERAL INSIGHT INTO KOREAN SITUATION AND KOREAN PERSONALITIES INVOLVED, ALTHOUGH EMBOFF WAS OFFICIAL MEMBER OF DELEGATION FOR TALKS IN SEOUL. GAO TEAM MENTIONED THAT ONE REASON FOR THEIR INTEREST IN TEXTILE AGREEMENT WAS TO EXAMINE CASES OF AGREEMENTS NEGOTIATED BY TEAMS FROM WASHINGTON AGENCIES AS CONTRASTED WITH AGREEMENTS NEGOTIATED BY EMBASSY.

3. GAO TEAM RETURNED FREQUENTLY TO SUBJECT OF 5-YEAR MANMADE FIBER AND WOOLEN AGREEMENT REACHED IN 1971 AND AMBASSADOR KENNEDY'S LETTER RE USAID DEVELOPMENT LOANS AND PL-480, WHICH WAS EXPLORED AND REPORTED BY GAO IN 1973-1974. OTHER THAN REVIEWING CURRENT STATUS DEVELOPMENT LOANS AND PL-480, FOCUS OF MOST QUESTIONS WAS ON COMPARISONS BETWEEN 1971 MANMADE FIBER AND WOOLEN AGREEMENT AND NEW MULTIFIBER AGREEMENT WHICH WILL SUPERCEDE IT. RESPONDING TO DIRECT QUESTIONS, EMBASSY REPLIED: (1) THAT NEW AGREEMENT, WHICH CONFORMS TO PRINCIPLES ESTABLISHED IN MFA, SHOULD BE MORE FAVORABLE TO KOREANS THAN 1971 AGREEMENT; AND (2) THAT LIMITATIONS ON OVERALL INCREASE FOR AGGREGATE SQUARE YARD EQUIVALENT FOR 5-YEAR PERIOD SPECIFIED IN EXISTING AGREEMENT ARE NOT CARRIED OVER INTO NEW AGREEMENT, ALTHOUGH FACT 1971 AGREEMENT WAS "FRONTLOADED" WAS FACTOR IN USG NEGOTIATING STANCE.

4. EMBASSY EMPHASIZED THAT SUBJECT IS EXTREMELY INVOLVED AND SUGGESTED THAT IF GAO WISHED PURSUE QUESTION OF COMPARISON BETWEEN AGREEMENTS IT WOULD HAVE TO TAKE MATTER UP WITH WASHINGTON AGENCIES. EMBASSY SUGGESTED OFFICE OF FIBERS AND TEXTILES, DEPARTMENT OF STATE, AND OFFICE OF TEXTILES, DEPARTMENT OF COMMERCE, AS BEING OPERATIONAL OFFICES MOST DIRECTLY INVOLVED. GAO TEAM INDICATED THEY WOULD RECOMMEND THAT GAO PURSUE SUBJECT IN WASHINGTON. GAO DID NOT ASK TO SEE COPY OF MOU OR DRAFT AGREEMENT, AND EMBASSY DID NOT FURNISH ANY DETAILS

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OTHER THAN AS DESCRIBED ABOVE.
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Message Attributes

Automatic Decaptoning: X
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Draft Date: 20 JUN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
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Film Number: D750215-0255
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Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750630/aaaabayp.tel
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Margaret P. Grafeld
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